

**Grace Smith House, Inc.**

Financial Statements

December 31, 2020 and 2019



## **Independent Auditors' Report**

**Board of Directors  
Grace Smith House, Inc.**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Grace Smith House, Inc. which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Directors  
Grace Smith House, Inc.**

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grace Smith House, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplemental Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of revenue and support on pages 17 and 18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

Newburgh, New York  
June 23, 2021

**Grace Smith House, Inc.**  
Statements of Financial Position

	December 31,	
	2020	2019
<b>ASSETS</b>		
Cash and cash equivalents	\$ 775,598	\$ 216,727
Investments	3,258,923	2,910,504
Accounts receivable, net	513,119	779,015
Prepaid expenses	648	1,609
Land, property and equipment, net	1,917,677	1,936,824
	\$ 6,465,965	\$ 5,844,679
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 229,240	\$ 242,649
Deferred revenue	16,016	9,528
Security deposits payable	14,822	13,516
Total Liabilities	260,078	265,693
Net Assets		
Without donor restrictions	4,089,201	3,391,825
With donor restrictions	2,116,686	2,187,161
Total Net Assets	6,205,887	5,578,986
	\$ 6,465,965	\$ 5,844,679

See notes to financial statements

**Grace Smith House, Inc.**  
Statement of Activities  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS</b>			
Fees for service, net	\$ 803,145	\$ -	\$ 803,145
Government grants	1,320,984	-	1,320,984
Contributions	208,997	114,818	323,815
Special events	116,378	-	116,378
United Way	10,219	11,500	21,719
In-kind donations	89,382	-	89,382
Rental	195,461	4,262	199,723
Investment return, net	188,454	-	188,454
Miscellaneous	10,247	-	10,247
Net assets released from restrictions	<u>201,055</u>	<u>(201,055)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>3,144,322</u>	<u>(70,475)</u>	<u>3,073,847</u>
<b>EXPENSES</b>			
Program Services			
MLHR	865,428	-	865,428
Follow Up	287,920	-	287,920
Outreach	823,150	-	823,150
Brookhaven Apartments	<u>184,687</u>	<u>-</u>	<u>184,687</u>
Total Program Services	2,161,185	-	2,161,185
Supporting Services			
Management and general	226,032	-	226,032
Fundraising	<u>59,729</u>	<u>-</u>	<u>59,729</u>
Total Supporting Services	<u>285,761</u>	<u>-</u>	<u>285,761</u>
Total Expenses	<u>2,446,946</u>	<u>-</u>	<u>2,446,946</u>
Change in Net Assets	697,376	(70,475)	626,901
<b>NET ASSETS</b>			
Beginning of year	<u>3,391,825</u>	<u>2,187,161</u>	<u>5,578,986</u>
End of year	<u>\$ 4,089,201</u>	<u>\$ 2,116,686</u>	<u>\$ 6,205,887</u>

**Grace Smith House, Inc.**  
Statement of Activities  
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS</b>			
Fees for service, net	\$ 801,471	\$ 5,655	\$ 807,126
Government grants	1,023,772	14,733	1,038,505
Contributions	171,122	136,400	307,522
Special events	248,695	-	248,695
United Way	25,684	10,000	35,684
In-kind donations	135,622	-	135,622
Rental	179,335	-	179,335
Investment return, net	367,474	-	367,474
Miscellaneous	4,112	-	4,112
Net assets released from restrictions	<u>41,391</u>	<u>(41,391)</u>	<u>-</u>
Total Revenue, Support and Reclassifications	<u>2,998,678</u>	<u>125,397</u>	<u>3,124,075</u>
<b>EXPENSES</b>			
Program Services			
MLHR	844,315	-	844,315
Follow Up	329,068	-	329,068
Outreach	811,911	-	811,911
Brookhaven Apartments	<u>190,888</u>	<u>-</u>	<u>190,888</u>
Total Program Services	2,176,182	-	2,176,182
Supporting Services			
Management and general	230,742	-	230,742
Fundraising	<u>132,703</u>	<u>-</u>	<u>132,703</u>
Total Supporting Services	<u>363,445</u>	<u>-</u>	<u>363,445</u>
Total Expenses	<u>2,539,627</u>	<u>-</u>	<u>2,539,627</u>
Change in Net Assets	459,051	125,397	584,448
<b>NET ASSETS</b>			
Beginning of year	<u>2,932,774</u>	<u>2,061,764</u>	<u>4,994,538</u>
End of year	<u>\$ 3,391,825</u>	<u>\$ 2,187,161</u>	<u>\$ 5,578,986</u>

**Grace Smith House, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2020

	Program Services				Supporting Services			Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Management and General	Fundraising	Total	
<b>PERSONNEL</b>								
Salaries	\$ 430,708	\$ 204,414	\$ 402,923	\$ 57,845	\$ 1,095,890	\$ 33,390	\$ 210,043	\$ 1,305,933
FICA and MCTMT	31,797	15,091	29,746	4,270	80,904	2,465	15,506	96,410
Health benefits	57,646	27,359	53,928	7,742	146,675	4,469	28,112	174,787
Workers compensation/disability/NYS UI	12,840	6,094	12,012	1,724	32,670	995	6,261	38,931
<b>Total Personnel Costs</b>	<b>532,991</b>	<b>252,958</b>	<b>498,609</b>	<b>71,581</b>	<b>1,356,139</b>	<b>41,319</b>	<b>259,922</b>	<b>1,616,061</b>
<b>OTHER EXPENSES</b>								
Transportation	2,093	367	3,405	234	6,099	-	-	6,099
Activities	1,888	5,051	6,966	317	14,222	56	171	14,393
Contracted legal services	-	-	248,376	-	248,376	-	-	248,376
Purchased services	41,123	9,788	16,451	14,630	81,992	5,873	13,273	95,265
Food	15,576	1,380	2,199	2,171	21,326	12	302	21,628
Household supplies and equipment	40,062	8,666	25,584	10,204	84,516	-	3,249	87,765
Utilities	34,217	908	-	30,319	65,444	-	-	65,444
Rent	-	-	600	-	600	-	-	600
Repairs - plant	9,903	-	-	6,203	16,106	-	-	16,106
Repairs - equipment	2,243	-	-	-	2,243	639	639	2,882
Repairs - vehicles	1,149	-	-	696	1,845	-	-	1,845
Telephone and internet	7,756	696	7,432	6,140	22,024	418	522	22,546
Postage	367	87	144	48	646	52	6,604	7,250
Dues, licenses and permits	1,630	290	862	320	3,102	-	-	3,102
Office supplies	2,377	1,010	3,630	401	7,418	311	516	7,934
Conference	59	19	32	6	116	11	14	130
Administrative	815	-	-	203	1,018	-	-	1,330
Staff development	218	62	3,455	2,505	6,240	37	46	6,286
Employee recognition	103	33	55	10	201	20	25	226
Professional fees	23,141	-	-	5,275	28,416	-	-	28,416
Insurance	26,519	-	-	6,595	33,114	-	-	33,114
Depreciation	94,450	-	-	23,487	117,937	-	-	117,937
Client assistance	709	5,283	5,156	1,055	12,203	-	-	12,203
Public relations	201	1,322	194	64	1,781	-	166	1,947
Bad debt expense	25,838	-	-	-	25,838	-	-	25,838
Loss on disposal of land, property and equipment	-	-	-	2,223	2,223	-	-	2,223
<b>Total Other Expenses</b>	<b>332,437</b>	<b>34,962</b>	<b>324,541</b>	<b>113,106</b>	<b>805,046</b>	<b>7,429</b>	<b>25,839</b>	<b>830,885</b>
<b>Total Expenses</b>	<b>\$ 865,428</b>	<b>\$ 287,920</b>	<b>\$ 823,150</b>	<b>\$ 184,687</b>	<b>\$ 2,161,185</b>	<b>\$ 226,032</b>	<b>\$ 59,729</b>	<b>\$ 2,446,946</b>

**Grace Smith House, Inc.**

Statement of Functional Expenses  
Year Ended December 31, 2019

	Program Services				Supporting Services			Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Management and General	Fundraising	Total	
<b>PERSONNEL</b>								
Salaries	\$ 408,247	\$ 221,522	\$ 429,765	\$ 58,933	\$ 1,118,467	\$ 31,342	\$ 209,534	\$ 1,328,001
FICA and MCTMT	30,315	16,449	31,912	4,376	83,052	2,327	15,559	98,611
Health benefits	53,767	29,175	56,601	7,762	147,305	4,128	27,596	174,901
Workers compensation/disability/NYS UI	15,432	8,374	16,245	2,228	42,279	1,185	8,501	50,780
<b>Total Personnel Costs</b>	<b>507,761</b>	<b>275,520</b>	<b>534,523</b>	<b>73,299</b>	<b>1,391,103</b>	<b>38,982</b>	<b>261,190</b>	<b>1,652,293</b>
<b>OTHER EXPENSES</b>								
Transportation	3,219	2,153	6,497	126	11,995	-	-	11,995
Activities	11,596	10,439	14,492	1,923	38,450	11,561	11,728	50,178
Contracted legal services	4,952	1,366	195,377	1,160	202,855	81	81	202,936
Purchased services	44,132	14,233	21,200	18,527	98,092	3,962	11,139	109,231
Food	18,242	2,281	3,404	1,085	25,012	111	22,422	47,545
Household supplies and equipment	34,015	6,336	16,672	6,528	63,551	-	34,524	98,075
Utilities	35,038	-	-	27,077	62,115	-	-	62,115
Rent	-	-	3,000	-	3,000	-	-	3,000
Repairs - plant	15,743	-	-	12,036	27,779	-	-	27,779
Repairs - equipment	3,162	-	-	1,946	5,108	408	408	5,516
Repairs - vehicles	3,149	-	15	34	3,198	-	3,122	6,320
Telephone and internet	8,060	982	6,173	6,196	21,411	289	397	21,808
Postage	256	75	100	23	454	22	7,276	7,752
Dues, licenses and permits	1,794	363	879	246	3,282	-	18	3,300
Office supplies	2,222	3,775	2,307	221	8,525	131	1,702	10,358
Conference	60	286	230	-	576	-	-	576
Administrative	4,845	-	-	814	5,659	-	-	5,659
Staff development	1,634	6,532	3,377	928	12,471	145	1,242	13,858
Employee recognition	704	326	433	81	1,544	96	132	1,676
Professional fees	22,832	-	-	6,789	29,621	-	-	29,621
Insurance	27,206	-	-	6,030	33,236	-	-	33,236
Depreciation	85,102	-	-	18,535	103,637	-	-	103,637
Client assistance	860	3,787	1,808	542	6,997	-	-	6,997
Bank fees	-	-	-	-	-	1,712	1,712	1,712
Bad debt expense	5,750	-	-	6,289	12,039	-	-	12,039
Public relations	1,981	614	1,424	453	4,472	5,943	5,943	10,415
<b>Total Other Expenses</b>	<b>336,554</b>	<b>53,548</b>	<b>277,388</b>	<b>117,589</b>	<b>785,079</b>	<b>8,534</b>	<b>102,255</b>	<b>887,334</b>
<b>Total Expenses</b>	<b>\$ 844,315</b>	<b>\$ 329,068</b>	<b>\$ 811,911</b>	<b>\$ 190,888</b>	<b>\$ 2,176,182</b>	<b>\$ 230,742</b>	<b>\$ 363,445</b>	<b>\$ 2,539,627</b>



**Grace Smith House, Inc.**

## Statements of Cash Flows

	Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 626,901	\$ 584,448
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	117,937	103,637
Bad debt expense	25,838	12,039
Loss on disposal of land, property and equipment	2,223	-
Realized and unrealized gains on investments	(142,762)	(307,484)
Changes in operating assets and liabilities		
Accounts receivable	240,058	(58,647)
Prepaid expenses	961	2,450
Accounts payable and accrued expenses	(13,409)	(111,210)
Deferred revenue	6,488	(3,153)
Security deposits payable	1,306	(230)
Net Cash from Operating Activities	<u>865,541</u>	<u>221,850</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	970,509	530,606
Purchase of investments	(1,176,166)	(727,270)
Purchase of land, property and equipment	<u>(101,013)</u>	<u>(226,639)</u>
Net Cash from Investing Activities	<u>(306,670)</u>	<u>(423,303)</u>
Net Change in Cash and Cash Equivalents	558,871	(201,453)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>216,727</u>	<u>418,180</u>
End of year	<u>\$ 775,598</u>	<u>\$ 216,727</u>

## Grace Smith House, Inc.

Notes to Financial Statements  
December 31, 2020 and 2019

### 1. Organization and Taxation

Grace Smith House, Inc. (the "Organization") is a not-for-profit organization incorporated in New York State in 1981. The mission of the Organization is to enable individuals and families to live free from domestic violence by providing shelter and apartments, advocacy, counseling and education; raising the consciousness of the community regarding the extent, type and seriousness of domestic violence and by taking positions on public policies in order to provide options which empower victims. The Organization provides a full spectrum of client centered, trauma informed assistive services to victims of domestic violence and their minor children. Services include a 24/7/365 domestic violence crisis hotline; the Mary Lou Heissenbuttel Residence ("MLHR"), which is a 25 bed emergency shelter; 15 transitional housing apartments; non-residential services for victims residing in the community; children's programming; and a prevention and education program. Advocates and counselors provide crisis intervention, intensive case management, safety planning, risk assessment, information and referral, counseling and emotional support, support groups, legal advocacy, court advocacy and accompaniment, and transportation. The Organization has advocates embedded in Dutchess County Family Court and Child Protective Services offices. The Organization also has specialized advocates working with Latina victims and a collaboration with the local center for the prevention of child abuse to assist victims of domestic violence wherever they need services. The outreach program educates the community, service providers, healthcare personnel, church groups, high school and middle school students and school administrators on issues of abuse in relationships. Future plans for the Organization include building a new shelter which will offer modernized facilities. All services are based on an empowerment philosophy, are conducted in a trauma informed manner and are free and confidential to victims of domestic violence.

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recognized in the accompanying financial statements. The Organization has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to the Organization are tax-deductible within the limitations prescribed by the Internal Revenue Code.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)*****Financial Statement Presentation***

Net assets are classified based on the presence or absence of donor imposed restrictions. Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Without donor restrictions* – consist of resources available for the general support of the Organization's operations. Net assets without donor restrictions may be used at the discretion of the Organization's management and Board of Directors (the "Board").

*With donor restrictions* – represent amounts by donors for specific activities of the Organization or to be used at some future date. The Organization records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Amounts restricted by donors for the Organization's operating programs whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

***Revenue Recognition***

The Organization has multiple revenue streams that are accounted for as exchange transactions including fees for service and rental income. Because the Organization's performance obligations relate to contracts with a duration of one year or less, the Organization has elected to apply the optional exemption provided by the guidance and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization uses a portfolio approach as a practical expedient to account for categories of contracts as collective groups, rather than recognizing revenue on an individual contract basis. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

The Organization has elected the practical expedient and does not adjust the promised amount of consideration from fees for services for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a client and the time that the revenue is received for that service will be one year or less.

***Grants and Contributions***

Government grants are third-party reimbursement contracts for specific programs. Revenue is recognized when the service is provided and the corresponding expense is incurred. Unconditional contributions are recognized as revenue in the period received or pledged.

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)****Fees for Service**

Fees for service revenue consist primarily of funding from the Department of Community and Family Services (“DCFS”). Payments are generally paid based upon per diem county rates for the number of bed nights provided.

**Rental Income**

Rental income is recognized in the period it is earned and is reported at estimated net realizable amounts. Rental payments received in advance are deferred until earned. All leases between the Organization and the tenants of the Transitional Housing Program are operating leases.

***In-kind Donations***

Donated services that require specialized skills, provided by individuals possessing those skills, that would typically need to be purchased if not provided by donation, and donated goods, are recorded at their fair values in the period received.

***Cash and Cash Equivalents***

Except for those cash equivalents which are included in the Organization’s investment portfolio which are held for long-term investment purposes, cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

***Investment Income Valuation and Recognition***

Investments are measured at fair value with changes therein recognized in the statements of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

***Fair Value of Financial Instruments***

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are stated at the amount that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)*****Accounts Receivable and Allowance for Doubtful Accounts (continued)***

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to fees for service revenue in the period of change. Portfolio collection estimates are updated based on collection trends. Subsequent changes that are determined to be the result of an adverse change in collectability (determined on a portfolio basis, when applicable) are recorded as provision for bad debt.

Balances that remain outstanding after management has used reasonable collection efforts are written off through a reduction in the valuation allowance and a reduction in accounts receivable. As of December 31, 2020 and 2019, the allowance for doubtful accounts was \$60,000.

***Land, Property and Equipment***

Land, property and equipment purchases over \$500 with useful lives greater than two years are capitalized and stated at cost, less accumulated depreciation. Donated assets are capitalized at fair value at the time of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 3-40 years. Maintenance, routine repairs and minor replacements are charged to operations as incurred, while those improvements which materially extend the lives of existing assets are capitalized.

***Deferred Revenue***

Deferred revenue consists of advanced payments received for operations for the following year.

***Functional Allocation of Expenses***

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses are allocated based on the basis of estimates of time and effort or purpose and function. Such allocations are determined by management.

***Advertising***

The Organization uses advertising to promote its programs among the population it serves. All costs associated with advertising are expensed in the year incurred, which approximated \$200 and \$600 in 2020 and 2019.

***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effects of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examination by applicable taxing jurisdictions for periods prior to December 31, 2017.

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**2. Summary of Significant Accounting Policies (continued)**

***Reclassification***

Certain amounts for 2019 have been reclassified to conform with 2020 financial statement presentation. These reclassifications have no effect on net assets.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 23, 2021.

**3. Liquidity and Availability**

The Organization's working capital and cash flows have seasonal variations during the year attributable to annual cash receipts from specific fundraising events, grant and contract revenue, and a concentration of contributions received near the calendar year end. To manage cash flow and liquidity, the Organization is diligent in seeking and keeping diversified funding streams and has been awarded various multi-year funding contracts. The Organization also maintains a line of credit of \$125,000 with a bank. The line of credit has not been drawn down but is available if needed.

Financial assets available for general expenditures within one year of December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Total assets	\$ 6,465,965	\$ 5,844,679
Less:		
Prepaid expenses	648	1,609
Net assets with donor restrictions	2,116,686	2,187,161
Land, property and equipment, net	<u>1,917,677</u>	<u>1,936,824</u>
Financial Assets Available Within One Year	<u>\$ 2,430,954</u>	<u>\$ 1,719,085</u>

**4. Investments and Investment Return**

The following are major categories of investments measured at fair value and categorized by fair value hierarchy for those investments measured at fair value at December 31:

	<u>2020</u>	<u>2019</u>
Quoted Price In Active Market for Identical Assets (Level 1)		
Common stock	\$ 1,050,752	\$ 1,469,581
Exchange traded funds	<u>1,206,918</u>	<u>1,373,538</u>
	2,257,670	2,843,119
Cash and cash equivalents	<u>1,001,253</u>	<u>67,385</u>
	<u>\$ 3,258,923</u>	<u>\$ 2,910,504</u>

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**4. Investments and Investment Return (continued)**

Investment return consists of the following for the years ended December 31:

	2020	2019
Interest and dividends	\$ 58,292	\$ 71,984
Unrealized gain, net	135,141	304,347
Realized gains, net	7,621	3,137
Investment fees	(12,600)	(11,994)
	\$ 188,454	\$ 367,474

**5. Accounts Receivable, net**

Accounts receivable, net consist of the following at December 31:

	2020	2019
Grants	\$ 382,911	\$ 574,188
DCFS per diem services	187,230	206,875
Rents	2,058	2,952
Donations	-	55,000
Other	920	-
	573,119	839,015
Allowance for doubtful accounts	(60,000)	(60,000)
	\$ 513,119	\$ 779,015

**6. Land, Property and Equipment, net**

Land, property and equipment, net consist of the following at December 31:

	2020	2019
Land	\$ 250,275	\$ 250,275
Buildings and building improvements	3,161,694	3,163,493
Furniture and equipment	279,806	282,151
Transportation equipment	80,424	49,883
Construction in progress	507,907	504,667
	4,280,106	4,250,469
Accumulated depreciation	(2,362,429)	(2,313,645)
	\$ 1,917,677	\$ 1,936,824

**7. Line of Credit**

The Organization maintains a line of credit agreement with a bank in the amount of \$125,000 which matures on July 31, 2021 and will be renewed upon maturity. The line of credit is secured by all accounts receivable and equipment. Interest is calculated at the Wall Street Journal Prime Rate plus 1.25% (5.75% at December 31, 2020 and 6.00% at December 31, 2019). There was no outstanding balance as of December 31, 2020 and 2019. The line of credit requires that the Organization maintain a zero balance on the line for a period of 30 consecutive days during the term of the loan.

**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**8. Net Assets**

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Acquisition or construction of a shelter	\$ 1,000,000	\$ 1,000,000
Time or program restricted for programs, operations and capital projects	<u>1,116,686</u>	<u>1,187,161</u>
	<u>\$ 2,116,686</u>	<u>\$ 2,187,161</u>

As of December 31, 2020 and 2019, the Organization has spent approximately \$495,000 and \$492,000 towards construction of a new shelter. The corresponding funds will be released from net assets with donor restrictions once the shelter is placed into service.

Net assets were released from restriction for the following purposes for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Time or program restricted for programs, operations and capital projects	<u>\$ 201,055</u>	<u>\$ 41,391</u>

**9. Retirement Plan**

The Organization maintains a profit sharing retirement plan (the "Plan") that is an employer contribution only plan. The Organization considers making annual contributions to the Plan on behalf of covered employees based on a percentage of employees' salaries. The percentage is determined annually by the Organization's Board. The Organization did not make a retirement contribution for the years ended December 31, 2020 and 2019.

**10. Concentrations of Credit Risk**

Financial instruments which potentially subject the Organization to significant concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. At times, cash balances held at financial institutions may be in excess of federally insured limits. The Organization has not experienced any losses on its cash deposits and believes that no significant concentration of credit risk exists with respect to its cash and cash equivalents, investments or receivables. The Organization receives a substantial amount of its support from governmental agencies. A significant reduction in the level of this support, if this were to occur, may have an effect on the programs and activities.

**11. Related Party Transactions**

At times the Organization will utilize the services of the Board in their respective businesses. These services are conducted as part of the normal course of business.



**Grace Smith House, Inc.**

Notes to Financial Statements  
December 31, 2020 and 2019

**12. Coronavirus**

Organization's operations have been affected by the recent and ongoing outbreak of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitation on the conduct of business. As a domestic violence service provider, the Organization is deemed an essential business and had no government mandated restrictions on operations.

COVID-19 has also resulted in substantial volatility in the global financial markets. The Organization's investment portfolio has not incurred a significant decline in its fair value since December 31, 2020, however, because the value of the Organization's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

The full duration and extent of the COVID-19 pandemic, related business and travel restrictions and changes to behavior intended to reduce its spread are uncertain as of the date these financial statements were available for issuance, as the pandemic continues to evolve globally. Therefore, the full extent of any adverse impact on the results of operations, financial position and cash flows in 2021 cannot be reasonably estimated at this time.

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**Grace Smith House, Inc.**

Supplemental Information

December 31, 2020 and 2019

**Grace Smith House, Inc.**

Supplemental Schedule of Revenue and Support  
Year Ended December 31, 2020

	Program Services					Management and General	Fundraising	Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total			
<b>REVENUE AND SUPPORT</b>								
Fees for service	\$ 803,145	-	-	\$ -	\$ 803,145	\$ -	-	\$ 803,145
Government grants	138,363	274,656	796,573	87,426	1,297,018	23,966	-	1,320,984
Contributions	-	-	-	-	-	-	323,815	323,815
Special events	-	-	-	-	-	-	116,378	116,378
United Way	1,078	4,203	14,467	946	20,694	1,025	-	21,719
In-kind donations	33,251	9,273	27,772	10,408	80,704	-	8,678	89,382
Rental	-	-	-	199,723	199,723	-	-	199,723
Investment return, net	76,320	22,250	63,950	23,276	185,796	2,658	-	188,454
Miscellaneous	-	-	-	-	-	10,247	-	10,247
<b>Total Revenue and Support</b>	<b>\$ 1,052,157</b>	<b>\$ 310,382</b>	<b>\$ 902,762</b>	<b>\$ 321,779</b>	<b>\$ 2,587,080</b>	<b>\$ 37,896</b>	<b>\$ 448,871</b>	<b>\$ 3,073,847</b>

**Grace Smith House, Inc.**

Supplemental Schedule of Revenue and Support  
Year Ended December 31, 2019

	Program Services					Management and General	Fundraising	Total
	MLHR	Follow Up	Outreach	Brookhaven Apartments	Total			
<b>REVENUE AND SUPPORT</b>								
Fees for service	\$ 807,126	-	\$ -	-	\$ 807,126	\$ -	-	\$ 807,126
Government grants	101,477	240,715	647,888	33,547	1,023,627	14,878	-	1,038,505
Contributions	-	-	-	-	-	-	307,522	307,522
Special events	-	-	-	-	-	-	248,695	248,695
United Way	2,846	14,515	16,084	1,220	34,665	1,019	-	35,684
In-kind donations	36,217	9,742	25,952	8,272	80,183	-	55,439	135,622
Rental	-	-	-	179,335	179,335	-	-	179,335
Investment return, net	159,233	45,066	120,052	38,269	362,620	4,854	-	367,474
Miscellaneous	4,112	-	-	-	4,112	-	-	4,112
<b>Total Revenue and Support</b>	<b>\$ 1,111,011</b>	<b>\$ 310,038</b>	<b>\$ 809,976</b>	<b>\$ 260,643</b>	<b>\$ 2,491,668</b>	<b>\$ 20,751</b>	<b>\$ 611,656</b>	<b>\$ 3,124,075</b>